



The Virginia Health Benefit Exchange Project

Presented to

**Virginia Health Reform Initiative:
Insurance Reform Task Force**

November 18, 2010

What is the Intent of the Virginia Health Benefit Exchange Project?

To conduct the research and analysis necessary to give Virginia's policy makers the best information possible to make decisions and plan for the future Exchange

Overall planning timeline: October 1, 2010 through September 30, 2011

Funding: \$1 million dollar federal grant, no state match required

Project Management: Office of the Secretary of Health and Human Services and Department of Medical Assistance Services

Tasks for the Planning Process

- **Background research on Virginia's health insurance market** (population by insurance status and source of funding, insurance products, pricing and carriers)
- **Stakeholder Involvement:** Selected members from the Virginia Health Reform Initiative Advisory Council and Task Forces and state agencies
- **Program Integration:** Virginia is establishing a State Government Gateway to health and human services, which includes a single portal (self-directed service option) and the traditional bricks and mortar option (assisted service option). This platform can also be used for building the Health Benefit Exchange

Tasks for the Planning Process

- **Finance:** Identify proper accounting treatment of various Exchange transactions and on an appropriate accounting system capable of handling them.
- **Business Operations:** Procedures for certification/recertification/decertification of health plans, toll-free hotline for assistance, internet website for comparison of health plans, assign ratings to each qualified health plan, utilize a standardized format for presenting plan options, and inform individuals of eligibility requirements for Medicaid, CHIP, and any other state or local program

Tasks for the Planning Process

■ Major Regulatory and Policy Questions to Address

1. Scope of Exchange: Geography and Insurance Markets
2. Governance: Type of entity
3. Regulation of Insurance: Across state lines; risk adjustment, risk corridors, and reinsurance; and within the state
4. Management of Competition within the Exchange: Information, benefits, type of plans, type of insurers, and premiums
5. Interactions with Private Insurance Outside the Exchange
6. Interactions with Medicaid: Enrollment and eligibility determination

Timeline for Project

- Planning Phase: October 2010–December 2010
- Research Phase: January 2010-April 2011
- Strategic Planning Phase: May 2011-June 2011
- Implementation Planning Phase: August 2011-September 2011
- Next Steps:
 - Submit recommended implementation plan, related budget language, regulatory actions, and legislative bills to Governor
 - Obtain General Assembly Approval (January 2012-March 2012)

Timeline for Exchange

■ **September 2010**

- Virginia applied for a one year planning grant for strategic planning for development of Exchange
- Federal Government (HHS) establishes interoperable standards and protocols for enrollment

■ **March 2011**

- Virginia will apply for Exchange systems implementation grant
- HHS develops standards for compiling and providing enrollees with a summary of benefits and coverage explanations

■ **January 2013**

- HHS approves that Virginia is willing and able to implement a grant by January 2014 (fallback is federal exchange)

Timeline for Exchange (continued)

- **January 1, 2014**

- Exchange must be operational

- **2015**

- Exchange must be self-funded

- **2017**

- Virginia option: Exchange can add large employers



Key Questions for the Task Force

- What are Virginia's goals for an exchange and what will be its functions?
- How should the exchange be structured to achieve these goals?
- To what extent will the establishment of an exchange transform the current health insurance market?
- Are there policy changes that should be considered to promote affordability and mitigate risk selection?
- How do we ensure seamless transitions between commercial and public insurance?
- What authority should Virginia seek from the legislature in 2011 versus what should we wait and propose in 2012?